



SAIGN & ASSOCIATES

**SUNNYVALE PRODUCT
DESIGN PROJECT**

**ISSUES REPORT FOR
FOOD SERVICE OPERATIONS**

JULY, 1995

INTRODUCTION

The City of Sunnyvale presently manages three food service operations in two existing facilities. The Clubhouse Cafe and Catering Operations are located at Sunken Gardens Golf Course. The Senior Center Nutrition Program operates out of the Senior Center in Sunnyvale. In addition, there is the Lookout Restaurant currently being contracted out at the Sunnyvale Municipal Golf Course.

A new food service opportunity, the Library Cafe, is being proposed for the Sunnyvale Library and should be considered as a part of the overall Sunnyvale Food Service operation. As of this date there is not one full time experienced food and beverage person managing these five operations for the City of Sunnyvale.

The following report will address these five food service opportunities (1. Clubhouse Cafe; 2. Catering; 3. Senior Center; 4. Library Cafe; and 5. The Lookout) for the City of Sunnyvale and discuss recommendations for management consideration.

1. **Clubhouse Cafe** - This newly remodeled facility at Sunken Gardens has been in operation for almost 2 months. Staff are being hired and trained, menus and standards are being created, and off-site catering demands are outweighing all available resources. Kitchen facilities at the Clubhouse Cafe are quite small for the volume of catering planned out of this facility. Our recommendations for this facility are as follows:

- a. Hire one experienced Food Service Director to manage all food service operations for the City. This will maximize coordination of all existing resources and facilities and ensure quality standards are realized and

financial returns are met.

- b. Until October 1, 1995, only do on site catering at Sunken Gardens. This will allow management and staff to get the operation running efficiently and new staff trained in the restaurant and cross trained for catering. Begin off site catering in October when the staff is ready, golf traffic declines, and the upcoming holiday catering business peaks.
- c. Market the Clubhouse Cafe to golfers and non-golfers like any other competitive restaurant utilizing the City of Sunnyvale communications & outside media including direct mail, couponing, radio, and print advertising. Tag Art Wilson's weekly ads with food & beverage specials.
- d. Bounce back each guest of the Cafe, each golfer, and each pro shop purchaser with a coupon to encourage them to return within the next 30 days.
- e. Expand the golf "to go" business on course with a Quick Service cart, kiosk, or window.
- f. Set up a BBQ on the patio during peak periods (weekends & tournaments) to tap course pre and post play traffic with vented smell, sampling & signage.
- g. Cross promote the Cafe with the golf course and have packages with golf, food, and beverage offerings.
- h. Update signage on Wolfe Road to reflect the new Cafe and its business parts - lunch, dinner, and banquets.
- i. Cross train all employees for on and off site catering, restaurant operations, and outside sales.

- j. Review and sample the operation of Michael's at the Shoreline Golf Course. (See grill & banquet menus)

2. **Catering** - Catering business should be targeted for the 4th quarter of 1995 to coincide with the decrease in golf traffic and the seasonal holiday catering opportunities. To maximize the use of labor and facilities in catering, we recommend the following strategies:

- a. Develop a catering business plan with targeted clients, financial goals, timetable, and resources required.
- b. Hire a catering/sales manager that would be compensated based on new business generated.
- c. Utilize the Senior Center kitchen facilities for all off site catering.
- d. Secure a van for off site catering.
- e. Research Eric's Deli for catering menus, services, and client base.
- f. Generate 1-2 interns from the Hospitality Program at San Jose State University per semester as a source of employees and entry level career pathing.
- g. Do all City of Sunnyvale Events that need catering.
- h. Develop a program called "Birthdays in the Parks" to cater kids birthday parties utilizing recreation staffing for entertainment, refreshments, and party activities.
- i. Provide catering as a service in S'vale Parks on the weekends for group BBQ's.

3. **Senior Center** - The resident user is currently paying \$2 for a meal that costs \$8 and the center is serving only 60 meals a week. In all, only 150 citizens are using this service in which the City is subsidizing almost \$100,000 per year. The kitchen facility at the Senior Center appears to be underutilized, with high rent and labor costs. The main reason for attendance is *social* rather than dining.

The facilities and ambiance are not conducive to a good dining experience, with adjacent ping pong games, noise from next door, and plumbing odors in the dining area. We recommend the following:

- a. Increase the usage and fees or cut the program. Scale it back to 3-4 days dropping the low days like Friday and Tuesday as a consumer friendly exit strategy.
- b. Raise prices to \$6 with menu and other changes to increase perceived value. Offer a two-tiered pricing structure to include a salad and beverage for \$2, soup, salad, dessert, and beverage for \$4, and for \$6 an added hot entree.
- c. Maximize the facility and the high labor and rent by utilizing the facility for other uses such as off site catering, catering prep, rental, prep of fresh baked goods for golf courses and library cafe.
- d. Build value in the lunch program by bringing in guest Chef's from local restaurants on Wednesdays, holding bingo/luncheons on Thursdays, and monthly movies or travel videos with speakers and themed lunches.
- e. Develop strategic alliances with Chefs Who Care, Community Kitchen of Community Services Agency,

Meals on Wheels, AARP, local churches, clubs, etc.

f. Offer a monthly ticket book with a reservation system that will encourage use and enhance perceived value.

g. Utilize the senior kitchen as a training kitchen for the two golf course kitchens to cross train employees.

4. **Library Cafe** - A logical addition to Food Services would be a Cafe adjacent to the library/city hall office complex. There seems to be a definite market and ample weekday traffic in the community for such an operation. We think the City should proceed with the proposed plan as follows:

a. Open a cafe, not a coffee shop, thereby maximizing use and revenues for all dayparts.

b. Product ideas include: Espresso bar with a variety of coffee drinks, assorted teas, fruit juices and blended drinks, biscotti, muffins, bagels, cookies, fruits, yogurt, packaged "to go" entrees from the restaurant operations.

c. Offer breakfast, lunch, and evening snacks prepared off site at the adjacent Senior Center site or golf course.

d. Other products and services may include shoe shine, newspapers and magazines, post cards, sundries, and specialty gift items.

e. Provide outside seating and umbrella tables as well as comfortable seating inside.

f. Offer a "to go" service for lunch with fax/phone orders.

5. **The Lookout** - As noted in the issues report for golf operations, the food facility currently at the Sunnyvale Municipal Golf Course is poorly run and there is little or no communication, interaction, cooperation, or cross promotion between the Lookout and the golf operation. This is detrimental to maximizing tournament revenues, increasing repeat play, introducing an increased fee structure, and pro shop revenues. The food quality, customer service, ambiance, and physical plant are well below the standards of even a fast food restaurant operation. We recommend the following:

- a. Get the existing contractor out by a buyout, lease negotiation, or legal means. Do it now rather than later.
- b. Hire a professional food and beverage director for the City of Sunnyvale.
- c. Market the Lookout to the non-golfing consumer.
- d. Cross promote the Lookout & the Clubhouse Cafe with the golf courses, the pro shops, and each other.
- e. Attempt to get back the golf tournament banquet business. Only 10% of the golf tournaments hold their banquet at the Lookout.
- f. Sell the banquet room more aggressively to groups and events.
- g. Do cosmetic changes on the Lookout. Look at the Michael's operation at Shoreline.

There is tremendous potential for the City of Sunnyvale to generate revenue from these five food service operations.

This income, like golf revenues, can be the financial bank to support other human service programs of the future.

Today's highly competitive leisure/entertainment market is forcing the industry to try new, creative, and consumer friendly methods to increase market share, retain or find a market niche, or gain a competitive edge. Food service, run by a municipality is very doable, and if done properly, very, very *profitable*!